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SUBJECT: MALAWI BEGINS BUDGET DEBATE, ENDING IMPASSE

REF: A) LILONGWE 644

[¶1.](#) (U) Ending a 78 day impasse, On August 15, the opposition opened debate on the government's K172 billion budget (USD 1.2 billion). While United Democratic Front (UDF) and Malawi Congress Party (MCP) leaders still prefaced their responses with protests concerning the lack of a financial resolution to normalize the current emergency spending, they praised the government as well for improving macroeconomic indicators and achieving a food surplus. The opposition is expected to challenge the government in several areas in the budget debate, such as by seeking to reduce budgets in the Ministry of Information and Civic Education. That ministry contains the Malawi Broadcasting Corporation and Television Malawi, both of which have exhibited a strong pro-government bias during the impasse. The opposition is also likely to target parastatal corporations whose vehicles have been used to transport people to pro-government rallies. Nonetheless, several MPs remarked to emboffs that tensions in Parliament have palpably eased with the commencement of debate.

[¶2.](#) (SBU) Comment: While the start of the budget debate technically ends the impasse, it is still unclear whether opposition MPs will ultimately approve the budget in a timely way. The MCP and UDF could simply be pursuing a delaying tactic and planning for more confrontation in the coming days. It appears more likely, however, that opposition leaders have yielded to popular pressure to approve a budget in time for the GOM to deliver subsidized fertilizer in time for the upcoming planting season.

EASTHAM